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10 December 1955

MEMORANDUM FOR THE RECORD

SUBJECT: Exclusion of Contract Flight Personnel from Eligibility
for Federal Employees Group Life Insurance

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1. [] Executive Officer, Office of Personnel, telephoned yesterday to confirm what we have suspected for several days regarding the eligibility of our contractor flight personnel for FEGLI insurance. He did, however, indicate that there was no problem in covering this group with WAEPA or GEHA insurance which would have a face value in the event of accident of \$30,000.00.

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2. The exclusion of the contract flight personnel is incorporated in a general exclusion of contract employees contained in two places within the Federal Personnel Manual. These are: Chapter Z-1-385, Section 37.2 (a) (9) and Section 37.2 (a) (12). It might be pointed out that the Civil Service Commission was granted the power to make regulations having the effect of law in these matters in Section 11, 68 Stat 742 (National Life Insurance Act of 1954). Mr. Houston has apparently reached agreement with [] Chief, Insurance and Casualty Division, regarding this exclusion and, I would say, that this leaves unanswered at the moment only the question of the manner in which the \$20,000.00 balance of the \$50,000.00 indemnity is to be cared for.

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JAMES A. CUNNINGHAM, Jr.
Director of Administration

cc: []

JAC:bm (10 Dec 55)

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